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WEIL, GOTSHAL & MANGES LLP

SUITE 700
1615 L STREET, N.W.
WASHINGTON, D.C. 20036-5610
(202) 682-7000
FAX: (202) 857-0940

DALLAS
HOUSTON
MENLO PARK
(SILICON VALLEY)
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BRUSSELS
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November 25, 1997

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: ET Docket No. 97-206
In the Matter of Technical Requirements to Enable
Blocking of Video Programming based on Program Ratings;
Implementation of Sections 551(c), (d), and (e) of the
Telecommunications Act of 1996.

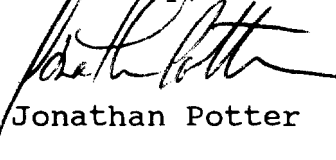
To whom it may concern:

On behalf of Matsushita Electric Corporation of America ("MECA"), please accept the attached comments as replacing those filed yesterday with respect to the above-referenced docket. In reviewing yesterday's filing we noticed the absence of a page 16, which somehow dropped out in the final collating and preparation process. That page has been replaced in the attached set of comments.

We apologize for the error, and appreciate your assistance with regard to the attached replacement.

Please call the undersigned if you have any questions.

Sincerely,



Jonathan Potter

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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(d) and (e) of the Telecommunications)	
Act of 1996)	

**EXECUTIVE SUMMARY OF
COMMENTS OF
MATSUSHITA ELECTRIC CORPORATION
OF AMERICA**

Matsushita Electric Corporation of America ("MECA"), which manufactures and markets to consumers televisions, videocassette recorders, computers, set-top boxes and digital versatile disc players, fully supports the pro-consumer goals of the Federal Communications Commission (the "Commission") as reflected in the above-referenced Notice of Proposed Rulemaking. MECA suggests, however, that the Commission adopt two operating premises that will expedite considerably retail introduction of program blocking, or V-Chip, technology.

First, MECA urges the Commission to avoid delay by quickly adopting the program blocking technology standard and content rating system that have been submitted for

Commission approval. Only expeditious adoption of final standards will allow manufacturers to move quickly toward introduction of compliant product, because manufacturers must know that these standards are final before incorporating them into product design. Moreover, product development cycles generally require 18 months advance notice in order to include any technology in significant numbers of product.

Second, MECA urges the Commission to rely on the television receiver industry's history of constantly improving consumer value and user interfaces, and to refrain from specifying further technological or system refinements -- in analog or digital receivers -- that will add complexity when it is not clear that they are necessary. MECA believes that effective user-friendly delivery of program blocking technology will be a competitive feature that manufacturers will support because customers will demand it. MECA looks forward to working with the Commission and consumers to provide sophisticated user-friendly program blocking technology, but appreciates that consumer feedback -- and thus, time -- is a necessary component to improving the value and effectiveness of V-Chip technologies.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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**COMMENTS OF
MATSUSHITA ELECTRIC CORPORATION
OF AMERICA**

Matsushita Electric Corporation of America ("MECA"), alternatively referred to herein as "Panasonic," submits these comments in response to the Notice of Proposed Rulemaking ("NPRM") issued by the Federal Communications Commission ("the Commission") on September 25, 1997 in the above-referenced docket.

I. INTRODUCTION.

MECA is the principal U.S. subsidiary of Matsushita Electric Industrial Co. Ltd. ("MEI") of Japan. Through its subsidiaries and affiliates, MECA manufactures and markets sophisticated electronics products for consumers -- including television receivers, computers, set-top boxes, digital versatile disc players and videocassette recorders ("VCRs"),

and more -- under the Panasonic, Technics and Quasar brand names. MECA employs more than 12,000 Americans -- 55 percent of them in manufacturing -- in 26 states. MECA has seven research laboratories, fifteen factories and scores of sales and operations offices throughout the United States.

In all of its worldwide enterprises, Matsushita companies strive to meet the public-spirited philosophy of Konosuke Matsushita, the company's founder, who believed that a company is indebted to society for its existence. Accordingly, Matsushita companies strive to contribute to society, to fulfill public expectations with valued products, and to improve the communities in which they do business.

Indeed, Panasonic continually focuses on providing consumers with useful, convenient, accessible and user-friendly products. With regard to products related to the substance of this proceeding, for example, several Panasonic television models already incorporate a feature that allows parents to block programming using time and channel criteria. And, MECA wishes to assure the Commission that Panasonic will strive to deliver to the market as quickly as possible televisions and associated products that include the technologies (described below) that will enable parents to exercise additional control over their children's viewing. This will be for products capable of receiving today's analog television signals, and soon, the new digital television signals.

Similarly, Panasonic was the first consumer electronics company to support and sponsor, through the WGBH Educational Foundation, use of Descriptive Video Services

("DVS") in television programming. DVS helps millions of blind and visually impaired Americans to "watch" television by listening to oral descriptions of visual scenes, movements, settings, facial expressions, scene changes, etc., during breaks in the regular dialogue or sound. All Panasonic stereo televisions and VCRs are equipped with a second audio program ("SAP") feature which allows them to receive DVS. Indeed, Panasonic remains the largest corporate supporter of WGBH's DVS program, the nation's first and largest DVS service provider.

Additionally, Panasonic has also sought to encourage understanding and responsible use of television by children through the Kid Witness News ("KWN") program. A hands-on video education program created and financed by Panasonic, KWN encourages students to develop cognitive, communication and organizational skills through the use of video. KWN provides more than 200 schools in the United States and Canada with complete video studios, enabling participants to develop their interests and creative abilities by producing their own videos. Under teacher supervision, KWN studios provide opportunities for students to research, write, produce, direct, edit and perform in videos about the subjects they are studying or issues they wish to explore.

Therefore, MECA is vitally interested in the issues in this proceeding regarding television content blocking technologies ("V-Chip"), and offers the following comments for the Commission's consideration.

II. COMMENTS

MECA has contributed to and supports the comments being filed in this proceeding by the Consumer Electronics Manufacturers Association ("CEMA") and in associated technical proceedings by the Electronics Industries Association ("EIA"). MECA has worked actively with CEMA and EIA and their members and others to develop the program blocking technology that has been unanimously recommended to the Commission by EIA.

For its part, MECA wishes to amplify on CEMA's filing in this proceeding by providing observations and details of MECA's own experience and plans. MECA appreciates the Commission's attention to the issues of technology development, design and manufacturing activity and distribution cycles, and to the complexity and relative uncertainty of television marketing in the transition to digital broadcasting. We are also very grateful for the attendance of Commission staff at EIA and CEMA meetings where the content rating system transmission standard was developed and reviewed.

Panasonic is fully committed to the goals of this proceeding, but has two key concerns regarding the specifics of the Commission's proposal: first, the proposed implementation schedule for V-Chip technology; and second, the possibility that new elements and complexity may be added to the content rating system and/or the transmission standard now pending before the Commission. With regard to the implementation schedule, the proposed dates are unrealistically soon, even if the Commission were to approve today

the content rating system currently under consideration. With regard to further changes and added complexity in the content rating system and/or the transmission standard, such things would detract from manufacturers' ability to implement quickly the rating system that has already gained broad industry and public support, and the transmission standard that has been recommended to the Commission by EIA.

Below, MECA describes why the Commission can and should rely on television receiver manufacturers to implement the required blocking technology both in the shortest time possible and in a manner that effectively provides parents with flexible and easy-to-use control over their children's television viewing. MECA believes the record of consumer electronics manufacturers amply demonstrates that, for competitive and public service reasons, manufacturers such as Panasonic will continually improve their specific implementations of this important technology in order to meet evolving consumer expectations and demand. Therefore, we urge that the Commission not adopt multiple content rating systems or transmission systems at this time, and not impose specific detailed requirements on how the rating system should be implemented within television receivers.

A. Proposed Timetable for Required Implementation is Unacceptably Short.

MECA objects to the Commission's proposed implementation timetable as unrealistically short. While Panasonic will do its utmost to implement the V-Chip technology

as speedily as possible once it is approved by the Commission, doing so in half its television receivers barely seven months from now cannot be accomplished for a variety of reasons.

First, even if the Commission's proposed transmission standard were a final rule today, manufacturers have already approved product designs and are implementing the related manufacturing changes associated with receivers that will be in the market in July 1998 (the NPRM's proposed deadline for half of all receiver models). Regrettably, these receivers could not include the recommended V-Chip technology designed to handle the proposed content ratings system because neither the technology nor the rating system has yet been approved by the Commission. We fully appreciate the difficulty of bringing these matters to this stage, however, and look forward to the Commission's final action on both matters in the near future.

We do wish to reiterate, however, that since 1989, the television manufacturing industry has regularly and consistently informed -- through testimony, correspondence, meetings with officials and staff, and public announcements before, during and after development of the proposed content rating system -- the Congress and the Commission that, as a general rule, product development and distribution cycles require some 18 months following final approval of the transmission standard and the rating system to begin implementing program blocking on television receivers. This is because, as the television manufacturing industry has repeatedly described, the following significant elements generally comprise the product development effort: design and fabrication of semiconductor

prototypes; procuring and testing new parts, including semiconductors; pre-production design and user interface testing; and retooling and testing manufacturing facilities, including quality assurance testing.

To be sure, in an effort to stay parallel in time with potential approval of the proposed content rating system, EIA has approved a transmission standard that implements the system now pending before the Commission. Since significant changes by the Commission to that rating system could require EIA to modify the transmission standard -- leading necessarily to further delay of its implementation -- MECA urges the Commission to expeditiously complete review of the proposed content rating system and to adopt the industry recommended EIA transmission standard (described in Section B below).

The second concern regarding the proposed implementation schedule is that the traditional patterns and schedules for model changes and retail release of television receivers may well change beginning in 1998, with the first introduction to retailers and consumers of digital television products. While it is hoped that this transition will go smoothly, it must be recognized that the actual retail market at that time will drive deliveries to retailers.

Therefore, based on the 18-month product cycle discussed above, the alternate-year product update cycle noted in the NPRM, and the uncertainty of the near-term receiver market in the transition to digital television, MECA proposes that a reasonable implementation requirement would be 50 percent of all television receiver models in compliance eighteen months after both the transmission standard and the rating system are

finally approved by the Commission, and the remaining 50 percent of models in compliance an additional twelve months thereafter. Further, as the Commission appreciates, manufacturers can be responsible only for the products that leave their facilities, and not for products that remain on retail shelves or in third-party warehouses. Thus, MECA proposes that the Commission's rule should be related to those percentages of models produced after a certain date, rather than a percentage of models sold by either manufacturers, wholesalers, or retailers.

B. EIA Transmission Standards Development Process Has Been Successful.

As the NPRM notes, an EIA committee has developed a standard for transmitting program content rating information via line 21 of the vertical blanking interval ("VBI"). MECA participated in this committee's work and supports the Commission's proposed adoption of the resulting standard ("EIA-608"), which defines a single method of transmitting information that televisions must be equipped to receive and accurately process. Moreover, MECA supports the Commission's proposal that televisions process the program content rating information with respect to both the main and second audio program channels.

In response to the NPRM's request for comment, however, MECA would oppose any proposal that televisions be required to support alternative or additional transmission standards at this time. MECA appreciates that Congress authorized the Commission to take appropriate action if alternative blocking technologies were to be

developed, 47 U.S.C. § 330(c)(4); but MECA urges that the Commission exercise forbearance while manufacturers implement EIA-608 in their products, fine-tune their presentation of the rating system itself, and receive feedback from consumers that can serve as the basis for further improvements.

To be sure, MECA plans to continue including the capability for consumers to block programming on a date and channel basis as a competitive feature in certain television models, inasmuch as this feature is now well-known and sometimes sought out by consumers. The inclusion of this family-friendly feature, which will be in addition to the program blocking technology that is finally approved by the Commission, illustrates MECA's commitment to meeting consumer expectations and to the spirit of this proposed regulation.

C. Multiple Rating Systems Will Delay Implementation and Confuse Consumers.

MECA appreciates the Commission's general support for a flexible transmission standard that has the potential to accommodate multiple content rating systems, such as the EIA-608 standard recommended by the television manufacturing industry. However, MECA would oppose a proposal to require that televisions be redesigned, in effect continually, to accommodate any or every content rating system that may be developed in the future. Such a requirement would impose an extraordinary burden on manufacturers, add significant costs and complexity to television receivers, and potentially frustrate consumers in understanding or using the new content rating system.

MECA agrees that EIA-608 is flexible and could be modified to accommodate additional content rating systems, but disagrees with the Commission's characterization of this process as "relatively simple." Indeed, it cannot be presumed that EIA-608 can be modified to accommodate any and every system that might be developed in the future. First, the EIA standards development process is time-consuming and imposes demands on many, many companies. Second, EIA-608 has only limited carriage capacity, and so it would have to be redesigned once its capacity is met by the inclusion of an indeterminate number of additional rating systems. Third, the addition of new rating systems would also require redesign of the firmware and/or software that permits each television model to receive and process the rating information accurately. These modifications could become more difficult or even impossible depending on the number and scope of additional rating systems.

In considering the issue of whether to require implementation of new program content rating systems, MECA asks the Commission also to recognize the great concern of both television manufacturers and consumers for "backward compatibility," which ensures that televisions purchased prior to a new standard being implemented continue to work after the new standard is implemented. Just as almost all early black-and-white sets functioned well during the switch to the color programming environment, so must older televisions with outdated program blocking technology continue to serve consumers' needs after any new content rating systems are implemented.

This need for backward compatibility creates complexities and costs that must be carefully considered. Consumers generally use their televisions for ten or more years -- and will probably continue to rely on many of their analog television receivers well into the transition to digital broadcasting. In meeting consumer expectations for the great value that television receivers represent, the industry has worked hard to improve reliability and extend useful life. These are valuable and important hallmarks of Panasonic products.

Frankly, MECA anticipates that creative entrepreneurs will, in the future, try to introduce new content rating systems into the marketplace and seek their adoption by programmers and television receiver manufacturers on the basis of perceived or actual consumer demand. Notwithstanding that multiple ratings systems may be developed, MECA is concerned about creating consumer confusion, particularly if multiple rating systems are required by the Commission in this Rule's implementation. It is a common joke that large numbers of VCR users are unable to program them. So, over time, manufacturers and entrepreneurs have responded to this concern by developing on-screen programming interfaces, bar code technologies, and various systems -- from clock setting to recording -- activated by broadcast signals. Similarly, MECA anticipates that, over time, receiver manufacturers will offer consumers increasingly simple methods of exercising their program blocking choices.

Finally, as a practical matter MECA is uncertain whether multiple content rating systems are warranted at the outset, because the broad-based industry system that has

been submitted for the Commission's review offers manufacturers a variety of ways to provide consumers extremely flexible controls. MECA anticipates that television receiver manufacturers will develop a variety of means for consumers to exercise their program-blocking options, and that each manufacturer will independently determine how to mix the sometimes contradictory requirements that consumers desire-- simplicity, flexibility and security.

By definition, a complex rating system requires a complex interface, but it should not be so difficult that parents are discouraged from using it. Rather than limiting manufacturers' design options, which would be the result if the Commission were to try to specify features that an interface must have, the Commission should permit the marketplace -- manufacturers and consumers together -- to develop improvements over time that empower consumers and enable them to use this new program blocking system.

D. Implementation Standards for Digital Television Must and Will Follow Those for Analog Television.

In the digital television ("DTV") domain, MECA agrees that one will be able to provide more capability and flexibility with regard to parental controls than is allowed by current technology. However, MECA proposes that the Commission forbear from imposing more requirements on digital television receivers merely because new technology presents the opportunity to do so, unless and until it is clearly demonstrated that additional technological options are necessary or appropriate. As discussed above, the proposed program content

rating system and transmission standard now pending before the Commission appear likely to provide consumers with an array of options for controlling viewing on a particular television, and Panasonic anticipates that the functional results of the proposed rating system will apply uniformly to digital and analog receivers. Moreover, as stated before, it may be anticipated that manufacturers will be motivated by market incentives to maximize all advantages presented by digital technologies, including to develop viewing control technologies that consumers desire.

With regard to the timing of implementing program blocking technology in digital television receivers, MECA notes that the technical standard for doing so is still under development in the all-industry forum of the Advanced Television Systems Committee ("ATSC"). In addition, there is no reason to believe that the time required for design, development, testing and implementation will be shorter than for NTSC -- especially if this is all new technology. Accordingly, MECA opposes the Commission's proposed 180-day period for implementing final rules, and proposes at this time that the Commission adopt the same 18-month implementation period for digital televisions; that is, the rule would be effective 18 months after final approval of the digital transmission standard for program blocking.

With respect to the DTV content blocking standard, MECA would expect to support ultimate adoption by the Commission of the ATSC T3-442 Program and System Information Protocol, which has the means to implement program blocking for digital

television. As the Commission notes, because there is no vertical blanking interval in digital television, the content rating information must be packaged and carried in the transmission differently than in analog TV. This new method has been developed by an all-industry committee of ATSC. MECA is a member and active participant in ATSC, and has worked to speed completion of that standard. Indeed, the proposed standard is now out for balloting among ATSC members, and voting will end on December 22, 1997. Therefore, MECA urges the Commission to seek recommendations of the Advanced Television Systems Committee with respect to the schedule and capabilities in digital TV for program blocking technologies.

Also, as the Commission is aware, in order to have DTV receivers in the market by the time of the Commission-approved start of digital broadcasts, *i.e.*, November, 1998, MECA and other receiver manufacturers have already finalized their first-generation digital receiver specifications. Because both the transmission standard and the rating system are not yet final, these first receivers cannot include the proposed blocking technology. Also, inasmuch as the DTV technology is new, the Commission should appreciate that the product development cycle may be as lengthy as for analog televisions, particularly for procuring new suppliers and parts, and for quality assurance testing.

E. Distribution of Rating Information Should Be A Uniform Obligation.

MECA appreciates the Commission's recognition that television receivers are only one among many parts of the nation's video distribution system, and that all parts should have an obligation to ensure that content rating information is encoded, transmitted and implemented accurately so that it can be properly decoded by television receivers with the approved technology. Accordingly, MECA supports the Commission's proposal to obligate all multichannel video programming distributors to accurately transmit the FCC approved program content rating systems information along with the programming itself, in a manner consistent with the recommended EIA-608 standard. Similarly, MECA urges the Commission to carry this requirement forward to all such distributors using digital television, in a manner consistent with the ATSC T3-442 Program and System Information Protocol for such program content rating information.

F. Obligations Should Apply Only to Television Receivers Covered By the Statute.

MECA agrees with the Commission's conclusion that the statute requires program-blocking technology to be included in all televisions and television systems that include a screen of thirteen inches or greater, regardless of whether the television or television system is designed to receive television signals from all or only one specific multichannel video programming distributor.

However, MECA strongly opposes any proposal to require all DTV receiver boards to include program blocking capability. The statute's scope was clearly limited to television systems that include monitors or viewing screens of a certain size or larger, and MECA believes that it is both inappropriate and unacceptable to attempt to regulate individual components or software.

Similarly, MECA would oppose any proposal to impose obligations on VCRs, set-top boxes, or other commercially-available devices that do not provide display capability, as required by the statute. VCRs have long been one of Panasonic's major consumer products. As a point of information, MECA is pleased to report that all current consumer models of Panasonic VCRs record and retransmit accurately line 21 of the vertical blanking interval, as do almost all consumer models of Panasonic VCRs that have been marketed in the past decade. Therefore, the content rating information will be recorded and passed on by those VCRs for use by every receiver equipped with EIA-608 technology.

As a general rule, however, the Commission would be creating an extraordinary obligation if it were to impose design restrictions on devices, components, or software that might one day be connected directly or by remote means to a television display or system, and inadvertently fail to pass along program rating information. Because such a broad rule would be impracticable, MECA proposes that such devices be addressed by the Commission only if manufacturers are unable to resolve consumer concerns after being made aware of a specific problem.

G. Summary.

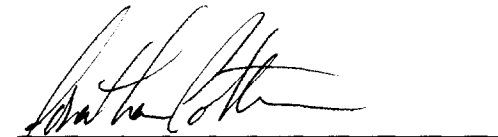
MECA reiterates its support for and commitment to expeditious implementation of V-Chip technologies in the most user-friendly manner possible. MECA urges the Commission to respect the television receiver industry's product development timetable, and to rely on manufacturers' experience and history of developing user-friendly technologies, rather than imposing additional or complex requirements that will expand manufacturers' obligations and limit innovation in V-Chip presentation. Finally, MECA urges the Commission to quickly approve the blocking technology and content rating systems that are being considered, so that consumers may soon thereafter have the power of these new tools in their homes.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read "Peter M. Fannon", written over a horizontal line.

Peter M. Fannon
Matsushita Electric Corporation of America

and by:

A handwritten signature in black ink, appearing to read "Jonathan Potter", written over a horizontal line.

Jonathan Potter
Weil, Gotshal & Manges
Counsel to Matsushita Electric Corporation of
America